

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 195
PARKING EXCISE TAX

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AUTHORITY: Implementing and authorized by the Parking Excise Tax Act [35 ILCS 525].

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Section 195.105 Definitions

~~"Booking intermediary" means any person or entity that facilitates the processing and fulfillment of reservation transactions between an operator and a person or entity desiring parking in a parking lot or garage of that operator.~~

~~"Charge or fee paid for parking" means the gross amount of consideration for the use or privilege of parking a motor vehicle in or upon any parking lot or garage in the State, collected by an operator and valued in money, whether received in money or otherwise, including cash, credits, property, and services, determined without any deduction for costs or expenses, but not including charges that are added to the charge or fee on account of the tax imposed by the Act or on account of any other tax imposed on the charge or fee. "Charge or fee paid for parking" excludes separately stated charges not for the use or privilege of parking and excludes amounts retained by or paid to a booking intermediary for services provided by the booking intermediary. If any separately stated charge is not optional, it shall be presumed that it is part of the charge for the use or privilege of parking.~~

"Department" means the Department of Revenue.

"Motor vehicle" means a motor vehicle as defined in Section 1-146 of the Illinois Vehicle Code [625 ILCS 5]. "Motor vehicle" does not include aircraft and watercraft.

"Operator" means any person who engages in the business of operating a parking area or garage, or who, directly or through an agreement or arrangement with another party, collects the consideration for parking or storage of motor vehicles, recreational vehicles, or other self-propelled vehicles, at that parking place. This includes, but is not limited to, any facilitator or aggregator that collects the purchase price from the purchaser ~~the charge or fee paid for parking~~.

"Operator" does not include a bank, credit card company, payment processor, ~~booking intermediary~~, or person whose involvement is limited to performing functions that are similar to those performed by a bank, credit card company, or payment processor, ~~or booking intermediary~~.

"Parking area or garage" means any real estate, building, structure, premises, enclosure or other place, whether enclosed or not, except a public way, within the State, where motor vehicles, recreational vehicles, or other self-propelled vehicles, are stored, housed or parked for hire, charge, fee or other valuable consideration in a condition ready for use, or where rent or compensation is paid to the owner, manager, operator or lessee of the premises for the housing, storing, sheltering, keeping or maintaining motor vehicles, recreational vehicles, or other self-propelled vehicles. "Parking area or garage" includes any parking area or garage, whether the vehicle is parked by the owner of the vehicle or by the operator or an attendant. "Parking area or garage" includes a self-storage unit capable of storing a motor vehicle, recreational vehicle or self-propelled vehicle when the lessor knows at the time the lease is agreed upon or executed that the storage space or unit will be used for parking a motor vehicle, recreational vehicle or self-propelled vehicle.

"Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian, or other representative appointed by order of any court.

"Public way" means any passageway (e.g., alley, road, highway, boulevard, turnpike) or part thereof (e.g., a bridge) open as a right-of-way to the public and designed for travel.

"Purchase price" means the consideration paid for the purchase of a parking space in a parking area or garage, valued in money, whether received in money

or otherwise, including cash, gift cards, credits, and property, and shall be determined without any deduction on account of the cost of materials used, labor or service costs, or any other expense whatsoever. "Purchase price" includes any and all charges that the recipient pays related to or incidental to obtaining the use or privilege of using a parking space in a parking area or garage, including but not limited to any and all related markups, service fees, convenience fees, facilitation fees, cancellation fees, overtime fees, or other such charges, regardless of terminology. If credit is extended, then the amount of the credit shall be included only as and when payments are made. However, "purchase price" shall not include consideration paid for:

optional, separately stated charges not for the use or privilege of using a parking space in the parking area or garage. For example, separately stated charges for washing and waxing a motor vehicle, oil changes, installation of accessories, and repairs are not included in the purchase price;

any charge for a dishonored check;

any finance or credit charge, penalty or charge for delayed payment, or discount for prompt payment;

any purchase by a purchaser if the operator is prohibited by Federal or State Constitution, treaty, convention, statute or court decision from collecting the tax from the purchaser. Purchase price does not include consideration paid by the federal government, the State, or a foreign mission that possesses an active tax exemption number;

the isolated or occasional sale of parking spaces subject to tax under this Act by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling of parking spaces;

any amounts added to a purchaser's bill because of charges made pursuant to the tax imposed by the Act; and

any amounts added to a purchaser's bill because of charges made pursuant to a tax imposed on the purchaser by a county or municipal ordinance for the privilege of using a parking space in a parking area or garage.

"Purchaser" means any person who acquires a parking space in a parking area or garage for use for valuable consideration.

"Recreational vehicle" means a recreational vehicle as defined in Section 1-169 of the Illinois Vehicle Code. "Recreational vehicle" does not include aircraft and watercraft.

"Self-propelled vehicle" means a vehicle propelled by its own engine or motor. "Self-propelled vehicle" includes, but is not limited to, all-terrain vehicles, autocycles, low-speed electric vehicles, low-speed gas vehicles, mopeds, motor driven cycles and motorcycles. "Self-propelled vehicle" does not include aircraft and watercraft.

"Use" means the exercise by any person of any right or power over, or the enjoyment of, a parking space in a parking area or garage subject to tax under the Act. (Section 10-5 of the Act)

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 195.110 Tax Imposed

a) *Beginning on January 1, 2020, a tax is imposed on the privilege of using in this State a parking space in a parking area or garage for the use of parking one or more motor vehicles, recreational vehicles, or other self-propelled vehicles.*

1) *The tax is imposed at the rate of:*

A) *6% of the purchase price for a parking space paid for on an hourly, daily, or weekly basis; and*

B) *9% of the purchase price for a parking space paid for on a monthly or annual basis. (Section 10-10 of the Act)*

2) *The rate of tax shall be determined based on the rental period agreed to by the operator and the purchaser in the contract for the parking space.*

EXAMPLE: A purchaser contracts with an operator to rent a parking space on a month-to-month basis. The contract permits the purchaser to make payments twice a month. The tax is imposed at the rate of 9%.

b) *The tax shall be collected from the purchaser by the operator.*

c) *An operator that has paid or remitted the tax imposed by the Act to another operator in connection with the same parking transaction, or the use of the same parking space, that is subject to tax under the Act, shall be entitled to a credit for the tax paid or remitted against the amount of tax owed under the Act, provided*

that the other operator is registered under the Act. The operator claiming the credit shall have the burden of proving it is entitled to claim a credit. (Section 10-10 of the Act) An invoice to the operator that separately states "tax paid" or states "all taxes included" is sufficient documentation to permit the operator to claim the credit.

- d) The operator of a parking area or garage must collect the tax on the purchase of all parking spaces in a parking area or garage unless the operator is exempt from collecting the tax or the tax is not due on the transaction. The Act does not provide an exemption for purchases of parking spaces by a person that intends to resell the parking spaces.

EXAMPLE 1: A company provides a service in which an individual may contact the company by use of the Internet to locate and rent a parking space in a parking area or garage near a particular venue. The company charges the purchaser \$21.20 for the parking space and a fee of \$5 payable to the company. The garage owner charged the company \$20 for the parking space and \$1.20 in tax that is separately stated on the invoice. The company forwards the \$21.20 to the garage owner and retains the \$5 fee. The company must collect and remit tax on \$26.20. The company owes \$1.57 in tax and may take a credit for \$1.20 in tax paid to the owner of the parking area or garage. The garage owner must remit tax in the amount of \$1.20.

EXAMPLE 2: A company provides a service in which an individual may contact the company by use of the Internet to locate and rent a parking space in a parking area or garage. The company charges the purchaser \$30.00 for the parking space and a fee of \$5 payable to the company. The garage owner charged the company \$30 for the parking space and failed to separately state and collect the tax or state that all taxes are included in the purchase price. The company forwards the \$30 to the garage owner and retains the \$5 fee. The company must collect and remit tax on \$35. The company owes \$2.10 in tax. The garage owner must remit tax on the \$30, or \$1.80. Because the garage owner failed to separately state and collect tax on the \$30 from the company or state that all taxes are included in the purchase price, the company may not take a credit for the tax paid by the garage owner.

EXAMPLE 3: A hotel purchases the privilege of using 50 parking spaces at an adjacent parking garage at a price of \$100 per space per month for the purpose of reselling the use of the spaces to its hotel guests. The garage must charge the hotel \$109 per parking space (\$100 plus tax of \$9, using the monthly rate of 9%), and it must remit the \$9 in tax per parking space to the Department. If the hotel resells the use of a parking space to a guest at a price of \$20 per day, it must charge its guest \$21.20 (\$20 plus tax of \$1.20, using the daily rate of 6%). At the

end of the month, the hotel will be required to remit the difference between the total amount of tax it collected from its guests for daily parking during the month and the \$450 in tax that it paid to the garage for the parking spaces.

EXAMPLE 4: A grocery store owner rents 10 parking spaces from an adjoining landowner for \$1,000 per month and allows its customers to park free while shopping in its store. The landowner must collect and remit tax (9% x \$1,000, or \$90) on the purchase price paid by the grocery store owner to the landowner to lease the parking spaces. The grocery store has no tax liability for providing free spaces to its customers.

e) Marketing or Facilitating Rental

A person who, for a fee, assists an operator in marketing or facilitating the rental of the operator's parking spaces, reserves parking spaces for customers in the operator's parking area or garage, collects the purchase price from customers, and remits the purchase price to the operator (less the fee if permitted by the agreement), is engaged in the business of operating a parking area or garage. The fee retained by the person is a cost of doing business of the person and is not deductible from the purchase price for purposes of calculating the tax the person must remit to the Department.

~~1) A person who, for a fee, assists an operator in marketing or facilitating the rental of the operator's parking spaces, reserves parking spaces for customers in the operator's parking area or garage, collects the purchase price from customers, and remits the purchase price to the operator (less the fee if permitted by the agreement), is not engaged in the business of operating a parking area or garage if the following conditions are met:~~

~~A) the person has no ownership interest in, or legal right to operate, lease or license, parking areas or garages;~~

~~B) the operator controls and sets the inventory of parking spaces customers may reserve using the person's services;~~

~~C) the operator establishes the purchase price for the parking spots;~~

~~D) the person markets or facilitates the rental of the parking spaces at the purchase price set by the operator;~~

~~E) the person represents to prospective customers that all taxes are included in the purchase price or separately states the tax based on the purchase price set by the operator;~~

- F) ~~any additional fees charged to customers and retained by the person are separately stated; and~~
- G) ~~the operator is registered with the Department to collect and remit the tax imposed by the Act.~~

- 2) ~~If the conditions listed in subsection (e)(1) are not met, the person is engaged in the business of operating a parking area or garage and is responsible for registering with the Department and collecting and remitting the tax on the purchase price received from the customer. The person may take a credit for the tax paid by the operator. The operator is responsible for remitting tax to the Department on the amount received from the person. (See subsection (c).)~~

~~EXAMPLE: A company provides a service in which an individual may contact the company by use of the Internet to locate and reserve a parking space in a parking area or garage near a particular venue. The company does not have any ownership interest in, or legal right to operate, lease or license, parking areas or garages. The operator of a garage with which the company has an agreement has advised the company that the company can reserve up to 10 spaces in the operator's garage and the purchase price for parking spaces in the garage is \$15. The company charges the purchaser \$15 for the parking space. The company states on its website that all taxes are included in the purchase price. Based on the agreement with the owner of the garage, for each space that is rented by the company, the company retains \$1 plus 10% of the \$15 purchase price paid by the purchaser. ($\$1 + .10 \times \$15 = \$2.50$.) Per the agreement, the company forwards the balance of \$12.50 to the garage owner. The garage owner is registered with the Department and remits tax on the \$15 purchase price. Because the agreement between the company and operator meets the requirements of subsection (e)(1), the company is not required to register with the Department and remit tax on \$2.50.~~

- 3) ~~A fee, retained by the person that assists an operator in marketing or facilitating the rental of the operator's parking spaces, is a cost of doing business of the operator and is not deductible from the purchase price for purposes of calculating the tax the operator must remit to the Department. The operator is liable on the full purchase price paid by the customer for the parking space. Any additional fees charged to customers and retained by the person are also taxable unless the person separately states the fees to the purchaser and the fees are not related to, or incidental to, obtaining the use or privilege of using a parking space in a parking area or garage. (See the definition of "purchase price".)~~

- f) If a business provides the location of available parking spaces to persons for a fee and does not collect the actual cost of parking in the selected parking area or garage, the fee is not taxable.

EXAMPLE: A company provides a web application that allows a person to locate and rent available parking spaces in the area the person wishes to find a parking space. The app also provides the purchaser with the prices for each of the available parking spaces. The fee for finding a parking space is \$5. The person selects a parking space that costs \$15 and is charged the \$5 fee. The company charges the purchaser the \$5 fee but does not charge the person the \$15 for the cost of the parking space. The garage owner collects the \$15 parking fee and the tax of \$0.90 from the purchaser when the purchaser enters or exits the garage. The \$5 fee is not taxable.

- g) If a lessor of commercial real estate is required by the terms of a lease to provide a minimum number of parking spaces to the lessee for use by the lessee's employees, customers, or clients, the lessor is not considered to be engaged in the business of operating a parking area or garage, unless the lease agreement identifies a specific value for the parking spaces.

EXAMPLE 1: A lessor leases 2,000 square feet of office space to a lessee for \$15,000 a month. The terms of the lease require the lessor to provide the tenant with 20 parking spaces in the parking garage and 10 surface parking spaces. The consideration for the parking spaces is not specified in monthly lease rental or on the books and records of the lessor. The parking spaces are not subject to tax.

EXAMPLE 2: A professional sports team sells season skybox tickets to attend home games for \$100,000. Six parking passes at no additional charge are included in the price of the skybox. The sports team does not separately state the value of the 6 parking passes on its books and records. The person renting a skybox also can purchase extra tickets for the standard rate of \$50 per game. The 6 parking passes included in the price of the skyboxes are not subject to tax. The purchase price paid for the extra tickets are taxable.

- h) A lessor of an enclosed storage space or unit leased for the storage of tangible personal property is not required to collect the tax unless the lessor knows at the time the lease is agreed upon or executed that the storage space or unit will be used for parking a motor vehicle, recreational vehicle or self-propelled vehicle, except as otherwise provided by Section 195.115(e). A lessor may obtain knowledge by receiving the information orally from the lessee or by the lessee identifying the contents of the storage unit in the lease. A lease or other material that states storage spaces or units may be used to store motor vehicles,

recreational vehicles, or self-propelled vehicles, or states the storage of motor vehicles, recreational vehicles, or self-propelled vehicles is not prohibited, does not impart knowledge to the lessor at the time a lease is agreed upon or executed that the storage space or unit will be used for parking a motor vehicle, recreational vehicle or self-propelled vehicle. The fact that the lessor believes that some lessees may be using the storage spaces or units to park motor vehicles, recreational vehicles, or self-propelled vehicles does not impose an obligation on the lessor to collect the tax.

- 1) A storage unit owner engaged in the business of operating a parking area or garage must register to collect and remit tax. However, Section 195.115(e) states that, if the operator of the parking area or garage does not act as the operator of more than a total of 3 parking spaces located in the State, the operator is exempt from collecting and remitting tax. A storage owner must register when it rents the fourth storage unit and must begin collecting and remitting tax on all 4 storage units.
 - 2) A storage unit owner may not apportion consideration received from the rental of a storage unit between the space used for storage of a vehicle and the space used for the storage of other tangible personal property.
- i) *If any operator erroneously collects tax or collects more from the purchaser than the purchaser's liability for the transaction, the purchaser shall have a legal right to claim a refund of that amount from the operator. However, if the amount is not refunded to the purchaser for any reason, the operator is liable to pay that amount to the Department. (Section 10-10 of the Act)*
- j) If an operator advertises a single rate ("all taxes included"), the operator must determine the base amount of the purchase price to properly calculate and remit the tax.

EXAMPLE 1: A parking operator charges a customer a single rate of \$200 per week. The amount includes the 6% State tax. The operator must determine the base amount of the purchase price paid for parking. The calculation used to calculate the base amount of the purchase price paid for parking is $\$200 \div (1 + .06) = \188.68 . The amount of \$188.68 is the base amount of the purchase price for determining the amount of tax. The State tax that the operator must remit is $\$11.32 (.06 \times 188.68)$.

EXAMPLE 2: A parking operator charges a customer a single rate of \$200 per week. The amount includes a 22% city tax, 9% county tax, and the 6% State tax. To determine the base amount of the purchase price paid for parking, the operator must first determine the combined tax rate for all qualifying parking taxes charged

the customer ($0.22 + 0.09 + 0.06 = .37$). The calculation used to calculate the base amount of the purchase price paid for parking is $\$200 \div (1 + .37) = \145.99 . The amount of \$145.99 is the base amount of the purchase price used for determining the taxes that can be deducted from the single rate of \$200 and the amount of State tax that must be remitted by the operator. The city tax would be \$32.12 ($.22 \times \145.98), the county tax would be \$13.14 ($.09 \times \145.99), and the State tax that the operator must remit is \$8.76 ($.06 \times \145.99).

- k) If a purchaser pays for the entire term of a parking space in advance (i.e., weekly, monthly, annually), the tax shall be collected and remitted in the month received.

EXAMPLE: The purchaser pays \$2,400 in January to park in a parking space for a year. The entire \$2,400 is subject to tax when received and reported on the return for January.

- l) A person that provides payment processing, collection functions, parking area maintenance, or security functions is not an operator subject to the tax when:

- 1) all parking revenues flow directly to the operator;
- 2) the operator sets the parking rates;
- 3) the person is paid a separate fee for the service provided; and
- 4) the sign at the parking area or garage does not identify the person as the operator.

EXAMPLE: A municipality operates a parking area. It retains a company to install machines on the lot that accept electronic payments. The company also provides a mobile application that permits a person to pay for parking electronically. All payments made by a customer, either by using the machine on the lot or the mobile application, are paid to the municipality. The municipality pays the company a fee for its services. The municipality is the operator of the lot and, pursuant to Section 195.115(b), is not required to collect and remit the tax.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 195.115 Exemption from Tax

The tax imposed by the Act shall not apply to:

- a) *Parking parking in a parking area or garage operated by the federal government or its instrumentalities that has been issued an active tax exemption number by*

the Department under Section 1g of the Retailers' Occupation Tax Act [35 ILCS 120]. For this exemption to apply, the parking area or garage must be operated by the federal government or its instrumentalities. The exemption under this subsection (a) does not apply if the parking area or garage is operated by a third party, whether under a lease or other contractual arrangement, or held in any other manner whatsoever; (Section 10-20(1) of the Act).;

- b) Parking in a parking area or garage operated by the State, a State university created by statute, or a unit of local government (e.g., counties, municipalities, townships, and special districts) that has been issued an active tax exemption number by the Department under Section 1g of the Retailers' Occupation Tax Act; for this exemption to apply, the parking area or garage must be operated by the State, State university, or unit of local government; the exemption under this subsection does not apply if the parking area or garage is operated by a third party, whether under a lease or other contractual arrangement, or held in any other manner, unless the parking area or garage is exempt under subsection (k) (Section 10-20(6) of the Act). ~~parking in a parking area or garage operated by the State, State universities created by statute, or a unit of local government (e.g., counties, municipalities, townships, and special districts) that have been issued an active tax exemption number by the Department under Section 1g of the Retailers' Occupation Tax Act. For this exemption to apply, the parking area or garage must be operated by the State, State universities created by statute, or the unit of local government. The exemption under this subsection (b) does not apply if the parking area or garage is operated by a third party, whether under a lease or other contractual arrangement, or held in any other manner whatsoever;~~

- c) ~~Residential~~ residential off-street parking for home or apartment tenants or condominium occupants, if the arrangement for that parking is provided in the home or apartment lease or in a separate writing between the landlord and tenant, or in a condominium agreement between the condominium association and the owner, occupant, or guest of a unit, whether the parking charge is payable to the landlord, condominium association, or the operator of the parking spaces (Section 10-20(2) of the Act). The landlord, association or operator must maintain supporting documentation to substantiate the claim. A list of residents or occupants claiming the exemption maintained by the operator that has been reviewed and approved by the landlord or association qualifies as supporting documentation.

EXAMPLE 1: A person enters into a residential lease agreement with a landlord that requires the landlord to provide 2 parking spaces to the tenant for \$100 per month. The landlord has made arrangements with an operator of a parking garage to make available 2 parking spaces to the tenant. The lease requires the tenant to pay the \$100 per month directly to the operator of the garage. The operator is not

required to collect tax from the tenant on the use of the 2 parking spaces. The operator should obtain a copy of the lease and maintain it in its books and records.

EXAMPLE 2: A tenant has a residential lease agreement that requires the landlord, or a condominium owner is required by condominium bylaws or documents, to provide parking spaces to the tenant or owner. The tenant/owner is told by his or her landlord or condominium association that the landlord or condominium association has an arrangement with a parking garage operator to provide parking to the tenants/owners that desire parking. Based on this arrangement, the tenant/owner enters into an agreement for parking with the designated operator. The landlord or condominium association provides a list of tenants/owners to the operator to verify their residency. The operator can rely on that list to exempt the tenant/owner from paying the tax and the operator from remitting the tax.;

- d) *Parking~~parking~~ by hospital employees in a parking space that is owned and operated by a public, private, or non-public hospital for which they work (Section 10-20(3) of the Act). The exemption under this subsection (d) does not apply if the parking area or garage is operated by a third party, whether under a lease or other contractual arrangement, or held in any other manner whatsoever.;*
- e) *Parking~~parking~~ in a parking area or garage where 3 or fewer motor vehicles are stored, housed, or parked for hire, charge, fee or other valuable consideration, if the operator of the parking area or garage does not act as the operator of more than a total of 3 parking spaces located in the State. If any operator of parking areas or garages, including any facilitator or aggregator, acts as an operator of more than 3 parking spaces in total that are located in the State, then this exemption shall not apply to any of those spaces. (Section 10-20(4) of the Act).;*

EXAMPLE 1: Every year a carnival~~fair~~ comes to a town. The owners of property near the carnival~~fairground~~ sell parking spaces on their property for \$10 per day. If an owner of property makes available for use more than 3 parking spaces, the owner is liable for collecting and remitting the tax.

EXAMPLE 2: A company near a baseball stadium contracts with residents near the stadium to rent space in their driveways during game days. Each resident enters into an agreement with the company to make available 3 or fewer parking spaces. As a result of the agreements with the residents, the company in, the aggregate, has 20 parking spaces to rent on game days. The company charges a purchaser \$30 for the rental of a parking space. The company must register and remit tax at the rate of 6% of the \$30 purchase price received for the rental of a parking space. The company pays the residents \$25 for each parking space that is rented by the company. Because the residents rent 3 or fewer parking spaces, the

residents are not required to register and remit tax on the consideration received from the company.

EXAMPLE 3: The same facts as Example 2, except one resident enters into an agreement with the company to make 4 parking spaces available for rent. Because the resident is providing more than 3 parking spaces, the resident is required to register and remit tax on the consideration received from the rental of all 4 of the parking spaces. Because the resident does not bill the company for the parking spaces and separately state and collect tax on the \$25, the company may not take a credit for the tax paid by the resident.

- f) *Parking in a parking area or garage owned and operated by a person engaged in the business of renting real estate if the parking area or garage is used by the lessee to park motor vehicles, recreational vehicles, or self-propelled vehicles for the lessee's own use and not for the purpose of subleasing parking spaces for consideration (Section 10-20(7) of the Act).* ~~a person engaged in the business of renting real estate that leases real estate to a lessee that may park motor vehicles, recreational vehicles or self-propelled vehicles for the lessee's own use and not for the purpose of sub-leasing parking spaces for consideration.~~ This person is not engaged in the business of operating a parking area or garage.

EXAMPLE 1: A car dealership leases real estate from a person to park the dealership's excess inventory. The lessor is not engaged in the business of operating a parking area or garage.

EXAMPLE 2: A car dealership leases real estate from a person to park motor vehicles for the purpose of making retail sales of the motor vehicles. The lessor is not engaged in the business of operating a parking area or garage.

EXAMPLE 3: A railroad company leases real estate to a municipality. The municipality makes improvements on the property to permit commuters to park their motor vehicles on the real estate. The railroad company is not engaged in the business of operating a parking area or garage.

- g) ~~A~~ a person that makes *isolated or occasional sales of parking spaces subject to tax under the Act and who does not hold himself or herself out as being engaged (or who does not habitually engage) in selling of parking spaces* (Section 10-5 of the Act).

EXAMPLE: A local promoter intends to hold a large concert on a farm and requires plenty of parking spaces for the attendees. The promoter leases a large field from a local farmer to park cars during the event. The farmer has never

leased his field in the past. The farmer is exempt from collecting and remitting tax on the rental of his field to the promoter.

- h) Any transaction in interstate commerce, to the extent that the transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State (Section 10-10(e) of the Act).
- i) The purchase of a parking space by the State, a State university created by statute, or a unit of local government (e.g., counties, municipalities, townships, and special districts) that has been issued an active tax exemption number by the Department under Section 1g of the Retailers' Occupation Tax Act, for use by employees of the State, State university, or unit of local government, provided that the purchase price is paid directly by the governmental entity (Section 10-20(8) of the Act). ~~the purchase of parking spaces by the State, State universities created by statute, or a unit of local government (e.g., counties, municipalities, townships, and special districts) that have been issued an active tax exemption number by the Department under Section 1g of the Retailers' Occupation Tax Act, and their employees, provided that the purchase price is paid directly by the governmental entity.~~
- j) Parking in a parking space leased to a governmental entity that is exempt pursuant to subsection (a) or (b) when the exempt entity rents or leases the parking spaces in the parking area or garage to the public; the purchase price must be paid by the governmental entity; the exempt governmental entity is exempt from collecting tax subject to the provisions of subsections (a) or (b), as applicable, when renting or leasing the parking spaces to the public (Section 10-20(9) of the Act). ~~an operator that leases parking spaces in a parking area or garage to a governmental entity that is exempt under subsection (a) or (b) is exempt from collecting and paying tax on the purchase price paid to it by an exempt governmental entity when the exempt entity rents or leases the parking spaces in the parking area or garage to the public. The purchase price must be paid by the governmental entity (i.e., by check, debit card, credit card, or electronic payment). The exempt governmental entity is exempt from collecting tax subject to the provisions of subsection (a) or (b) when renting or leasing the parking spaces to the public.~~
- k) For the duration of the Illinois State Fair or the DuQuoin State Fair, parking in a parking area or garage operated for the use of attendees, vendors, or employees of the State Fair and not otherwise subject to taxation under this Act in the ordinary course of business (Section 10-20(5) of the Act).

(Source: Amended at 47 Ill. Reg. _____, effective _____)